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**STATE CORPORATION COMMISSION
BUREAU OF INSURANCE**

May 25, 2005

ADMINISTRATIVE LETTER 2005-02

To: All Licensed Property and Casualty Insurers and Rate Service Organizations

Re: Insurers Are No Longer Required to Implement Filings on a Policy Effective Date Basis;
Withdrawal of Administrative Letters 1983-10, 1984-2, and 1990-3

Effective immediately insurers are no longer required to implement filings on a "policy effective date" basis. However, insurers are permitted to continue to use the "policy effective date" basis as the method of implementation.

The following requirements apply regardless of the method of implementation:

- Each filing must continue to include the date of implementation and the method of implementation selected.
- The selected method of implementation must be specific and be applied consistently within each company named in the filing.
- The selected method of implementation must comply at all times with all of the provisions of Title 38.2 of the Code of Virginia.

In addition, insurers will now be permitted to file rules that allow the company to calculate premiums for a new exposure or coverage using the rates that are in effect at the time that the new exposure or coverage is being added to the policy.

Further, none of the provisions of this letter apply to workers' compensation filings. Filers should refer to Administrative Letter 2005-03 for information regarding workers' compensation filings. Administrative Letters 1983-10, 1984-2, and 1990-3, which established positions that are no longer applicable, are hereby withdrawn.

Questions pertaining to Administrative Letter 2005-02 should be directed to the Property and Casualty Division's Rates and Forms Sections at (804) 371-9965 (Personal Lines) and (804) 371-9298 (Commercial Lines).

Sincerely,

Alfred W. Gross
Commissioner of Insurance